commend fixation of pay of Central Government employees in revised scales on point to point basis. The second Pay Commission, however, did recommend fixation of pay on a point to point basis subject to certain limiting conditions.

The Government have accepted the recommendations of the fourth Central Pay Commission contained in Chapter 30 of its Report regarding fixation of pay in revised scales of pay subject to the modification that the minimum benefit calculated at 20 per cent of the basic pay has been raised from Rs. 50/- to Rs. 75/-.

Based on the recommendations of the Pay Commission the Central Civil Services (Revised Pay) Rules, 1986 also provide for stepping up of pay of Government servants on fulfilment of prescribed conditions

Copies of the Report of the fourth Central Pay Commission, the Resolution and the Notification issued in this regard have already been placed on the Table of the House separately.

Revision of MODVAT scheme

2758. SHRI A. G. KULKARNI. Will the Minister of FINANCE be pleased to state:

(a) whether the MODVAT scheme has recently been revised and production of branded items produced in small or ancillary industries are not getting the benefit of MODVAT; and

(b) if so, what are the reasons for such a step and whether Government are aware of the reduction in ancillary work awarded to the small industries as a result thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT PANJA): (a) There has been no such change in the MODVAT scheme. MODVAT credit is available to the small and ancillary industries. However, the excise duty exemption schemes in respect of certain excisable goods were amended with effect from 1.10.1987 so as to deny duty concessions in respect of such goods manufactured in the small and ancillary industries under the brand name of a person who is not otherwise eligible for duty concession under the small scale exemption schemes. As a consequence of this the user industry purchasing such goods would get MODVAT credit only of the duty actually paid.

(b) The above modifications were done in order to reduce the chance of large manufacturers or traders deriving unintended benefit by getting their goods manufactured by units in the small scale sector. No significant reduction of ancillary work consequent to the amendment of small scale exemption schemes has been reported so far.

Central assistance for installation of tubewells in Rajasthan

2759. SHRI SANTOSH BAGRODIA: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether the Central Government have provided funds to Rajasthan Government for the exploitation of underground water potential through the installation of a number of tube-wells; and

(b) if so, what is the quantum of funds provided for this purpose to the Government of Rajastnan?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) and (b) Under a Centrally Sponsored Scheme assistance is provided to States for Minor Irrigation Works which include installation of tubewells. Central assistance released to Rajasthan during 1987-88 (upto December 1987) under the Centrally Sponsored Scheme of A